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TOP MORTGAGE ORIGINATORS — TABLE ON PAGE 12

American Banker

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Today

In a rare public hearing scheduled for today, proponents of limited-service banks are expected to ask the Federal Reserve Board to relax proposed restrictions on these institutions. 2

Salomon Brothers Inc. launched a mortgage-backed issue equivalent to $233 million for the TSB Group PLC, winning a key battle in its fight to bring a mortgage-backed securities market to Britain. 2

Coast Savings and Loan said a lowering of its operating costs helped to produce a 7% increase in second-quarter profits. 2

The current high level of corporate debt could force an unprecedented number of the nation's largest companies into bankruptcy if there is a recession, according to two Princeton University economists. 2

MasterCard president Russell E. Hogg has appointed Jack E. Robinson, a former Texas Air Corp. executive, to a key marketing post. 3

Empire of America Federal Savings Bank will test market an affinity card with the American Foundation for AIDS Research. 16

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COMMENT

Asset-back lenders have to be financial jacks-of-all-trades, writes Harold F. Stierhoff. The Signet Bank/Virginia senior vice president supplies a shopping list of what to look for in candidates for this specialty. 4

THRIFTS & MORTGAGES

Analysts and thrift executives are watching the newly issued stock of Connecticut's Peoples Bank, but most say it is too soon to learn any lessons from the thrift about minority stock ownership. 6

When Treasury Under Secretary of Finance George D. Gould appears before the Senate Banking Committee next week for a hearing on the ills of the FSLIC, he's going to offer pretty much the same advice he gave the committee two years ago. 6

Lomas Mortgage USA and three other big-name mortgage companies have fallen from the ranks of the top 10 in originations, reflecting turbulence throughout the industry. 10

Illinois thrift regulators are putting the final touches on regulations allowing state savings and loans to convert to mutual holding companies. 10

Worth Repeating

They were always having mistakes before. I don't know who to attribute the improvement to, but it's really there.

William Cunningham, treasurer of Cunningham Enterprises Corp., on the performance of the back office at Continental Illinois Corp. [Page 1]

Financial Industry Rejects Banking Bill

Major Provisions Of the Legislation

By BARBARA A. REHM
Washington Bureau

The House Banking Committee, after more than 16 hours of debate, voted 31 to 20 early Thursday morning in favor of legislation that would expand bank involvement in the securities business but further restrict insurance and real estate activities. The bill also increases consumer protection requirements.

The major provisions follow.

Title I: Securities Provisions

Bank holding company subsidiaries may underwrite and deal in commercial paper, municipal revenue bonds, asset-backed securities, mutual funds, and corporate bonds. Convertible bonds may be underwritten as long as they carry a conversion premium of at least 15%.

Banks with less than $500 million in assets may underwrite municipal revenue bonds directly in the bank. All banks may sell mutual funds and conduct discount brokerage in the bank.

Mergers between the 15 largest commercial and investment banks are banned. International banks or securities firms with more than $30 billion in assets are also barred from acquiring these large U.S. institutions.

Before a bank holding company securities subsidiary may exercise any new powers, the holding company's bank must hold 8% capital, thereby meeting risk-based capital requirements. Half of that capital must consist of shareholder equity.

Title II: Firewall Provisions

Banks may not lend to, buy assets from, or issue guarantees to affiliated securities subsidiaries.

Major Provisions: Page 15 ➤

Consumer Clauses Deemed Onerous

By BARBARA A. REHM
Washington Bureau

WASHINGTON — Major segments of the financial services industry withdrew support on Thursday for the House Banking Committee's broad industry-reform legislation, after a hard-fought battle ended in an early-morning compromise by panel members.

The American Bankers Association, the Securities Industry Association, the Independent Insurance Agents of America, and the Investment Company Institute said on Thursday that they will not support the committee's bill.

The legislation, sponsored by committee Chairman Fernand J. St Germain, D-R.I., generally would ease restrictions on banks entering the securities underwriting business while barring them from underwriting insurance or entering real estate development markets for two years. The bill also would reinforce firewalls between a bank and its holding company's securities subsidiary while requiring banks that want to exercise new powers to meet new capital requirements and stringent consumer regulations.

Securities: Page 15 ➤

TOM THEOBALD: THE FIRST YEAR

Continental Turns Aggressive

By LISABETH WEINER
Midwest Bureau

CHICAGO — In his one year at the helm of Continental Illinois Corp., Thomas C. Theobald has discarded the bank's consumer division and added expertise in trading, distribution, and merchant banking to narrow its focus to the business community.

Analysts say it is premature to measure the impact on the marketplace, but some corporate treasurers already have noticed key differences.

"The major change is in their approach to financing," says David T. Allen, chief financial officer of Dynascan Corp., Chicago. "In 1987, we had been a secured borrower; now we have an unsecured agreement."

Mr. Allen concedes there was some give-and-take in arranging the latest loan agreement. He had to scale down his credit requests and give in on some covenants. But when he told the bank what he wanted, they didn't shy away.

"I said, 'Here's what I want. If you can't deal with it, we understand. But I'm giving you the first shot at the deal. If you want our business, this is what I need.' And from there we negotiated."

Mr. Theobald arrived here last Aug. 1 and three months later announced a plan to turn Continental into one of the few commercial banks in the country focusing entirely on wholesale business. Its targets are national firms with annual sales of $200 million to $2 bil-

Companies: Page 5 ➤

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Broad Experience, Education Are Musts for Asset-Based Lenders

By HAROLD F. STIERHOFF

AS NARROWLY focused lenders, asset-based financial services organizations develop their lending officers for the most part from within their ranks or recruit them from competitors in the industry.

With asset-based lending now a big part of commercial banking, here's what one might look for in a competent asset-based lender.

There is no hard and fast rule for educational background, though the "school of hard knocks" probably accounts for the largest number of graduates in the business. It remains one of the premier requirements in the development of a fully qualified asset-based lender. No textbooks fully cover the variety of experiences encountered during a typical career in this field.

Asset-based lenders are expected to be able to understand and deal with such complex financial structures as leveraged buyouts, wade through the murky waters of the Bankruptcy Code, deal with litigation, determine what's going to work in the marketplace, understand the day-to-day changes in the value of collateral, and predict economic cycles.

They must also know how to unravel accounting complexities, account for tax law implications, be aware of industrial management techniques, have a sound foundation in commercial law, understand the banking system, judge the ability of managers, react to serious and complex issues on short notice — and manage his or her time with no idea of what tomorrow's schedule may be.

Seasoned asset-based lenders generally have encountered all of the above —on the same day. Obviously, this type of experience is not gained overnight. Even five years of lending might not provide the necessary depth of experience if the period covered a strong, prolonged economic cycle.

Although nothing supplants lessons learned in the "school of hard knocks," a sound general education and a business background speed up the learning process. A business degree emphasizing finance and accounting helps, as does experience in collecting accounts. Stints in the audit and workout departments of an asset-based lending operation provide broad exposure to the intricacies of the business. And let's not forget experience as a commercial lending officer.

Specialized training in secured lending is also available. The NCFA/-Wharton Institute of Asset-Based Lending, developed by the National Commercial Finance Association and Wharton School of the University of Pennsylvania, offers an intensive program. Participants must make a major commitment and effort to develop their business skills. At the Wharton campus, three sessions — totaling five weeks of classroom work — are given during the two-year program.

No formal educational requirements are needed for the institute's program. Applications are reviewed by an admissions committee, comprising both industry representatives and Wharton faculty, to make sure applicants have the background and ability to complete the program.

Many skills the asset-based lender needs that are derived from the legal, accounting, and banking professions can be gained from formal programs offered in these areas. The Uniform Commercial Code for example, is addressed in the curriculum of most business schools.

Yet, in order to gain an in-depth understanding of the pitfalls in Article 9 of the UCC — while recognizing the complexities and differences among states — practical on-the-job experience is required.

Although all asset-based lenders use in-house counsel and/or outside firms to assist in legal matters, the asset-based lender often makes decisions and takes action basis without the benefit of counsel. He or she does this for good reasons: to keep down costs and to react with dispatch.

To my knowledge there is no school or formal program dedicated to the continuing study of the Bankruptcy Code and implementation of bankruptcy proceedings. There are seminars, booklets, and various training sessions for lenders that deal with the various aspects of bankruptcy. However, a lender's training is not complete until he actually appears before a bankruptcy judge, serves on a creditor's committee and takes a superpriority lien in a Chapter 11 proceeding.

Collateral evaluation is a science and an art. The lender must do his best under existing circumstances, realizing full well that while an accurate assessment of collateral value may be valid today, that value can change quickly and dramatically.

A good asset-based lender is usually more qualified to judge the collateral value of accounts receivable than most corporate lending officers and is able to make sound judgments on inventory valuation. The asset lender also recognizes the value of bringing in outside experts for the evaluation of machinery, equipment, and real estate.

Sound collateral evaluation requires an understanding of how receivables pay out in various types of businesses and under such circumstances as economic cycles and changes in the weather. Over time the astute lender also develops relationships and shares experiences with reliable outside appraisers upon whom he or she can rely.

Qualifications required of an asset-based lender naturally will vary, depending on the size and structure of a financial institution. In some organizations the asset-based lender must also handle new-business development. This obviously requires skills beyond the lending process. ■

> 'There is no hard and fast rule for educational background, though the school of hard knocks probably accounts for the largest number of graduates in the business.'
>
> — Harold F. Stierhoff
> Senior Vice President
> Signet Bank/Virginia

Harold F. Stierhoff is senior vice president, Signet Bank/Virginia, Richmond, Va., and a director and executive committee member of the National Commercial Finance Association.

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LETTERS TO THE EDITOR

Predictions of Social Security Surplus Are Off Base

To the Editor:

Erich Heinemann's July 18 commentary on tax and budget issues ["Truth in Taxes: Taking the Measure of Election-Year Rhetoric, page 6] quotes Morgan Guaranty economists as saying that in 2015 the annual Social Security surplus will be almost $500 billion. As a result, he argues, these annual surpluses could be used to pay off the federal debt and cause a quantum increase in saving, investment, production, and exports.

There is only one problem with this argument. In no meaningful economic sense will there be an annual surplus in 2015. If one looks at projected Social Security income and outgo in 2015, using the most commonly accepted set of economic assumptions (the Social Security Administration's Assumption II-B), one will find a surplus of approximately $500 billion. However, roughly $385 billion of the surplus is simply interest on the projected $7 trillion in government bonds held in the retirement trust funds.

Since government bonds are IOUs to collect taxes in the future, all that is happening here is that interest in the form of further IOUs is accumulating on the existing IOUs. To say that the government will pay off the national debt with this $385 billion is like saying that I can get out of debt by paying off my mortgage with a Visa card.

That leaves around $115 billion in surplus. But the Morgan economists have conveniently left out Medicare. Indeed, the combined Social Security and Medicare cash flow in the year 2015 under Assumption II-B is expected to add up to roughly a $50 billion deficit. So much for the surplus.

One might add that many consider Assumption II-B to be less realistic than the more pessimistic Assumption III. Moreover, it is quite likely that the Social Security actuaries have made overly optimistic demographic estimates. And as the Morgan economists worry, politicians are still under pressure to spend more money. The catastrophic health bill, for example, will no doubt eventually fail to pay for itself, despite claims to the contrary. All of these factors tend to make the numbers worse.

Payroll taxes have become a larger and larger source of revenue for the government, and this trend is projected to continue. However, there is no magic "surplus" out there as a panacea for our current budget problems.

Fortunately, as is pointed out in the article, simply capping spending growth at 4% for the next four years would balance the budget without a tax increase. Indeed, Congressional Budget Office figures show that a spending freeze would create a budget surplus in three years. A spending freeze is a real solution to our budget problems, not a solution relying on imaginary surpluses.

Michael Becker
Director, Financial Services Policy
Citizens for a Sound Economy
Washington

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Please direct them to the editor, William Zimmerman, American Banker, One State Street Plaza, New York, N.Y. 10004, and please include a daytime telephone number. Letters may be edited for reason of space and clarity.

4 Big Mortgage Lenders Drop from Top 10

Lomas Falls to 13th Place; Reshufflings Reflect Rocky Condition of Industry

By PHIL ROOSEVELT

NEW YORK

LOMAS Mortgage USA and three other big-name mortgage companies have fallen from the ranks of the top 10 in originations, reflecting turbulence throughout the home loan industry.

Lomas, an inveterate leader among mortgage companies, dropped from No. 6 to No. 13 during 1987, an *American Banker* survey reveals.

Also falling from the top 10 were BancBoston Mortgage Cos., Jacksonville, Fla.; Commonwealth Mortgage Corp. of America, Houston; and Fireman's Fund Mortgage Corp., Farmington Hills, Mich.

The reshuffling of the upper echelon came against a backdrop of extreme volatility in interest rates and consumer demand. Total originations by all types of lenders fell 22% from the first half of 1987 to the second half as rising interest rates abruptly halted a homeowner refinancing frenzy.

Dallas-based Lomas, formerly Lomas & Nettleton Co., saw its 1987 originations plunge 25% from 1986's level, to $2.4 billion. As a result, the firm has slashed its staff by 36% since last June to 2,300 employees and cut its branch network by nearly 60% to 33 offices.

Lomas president Paul Low denied industry speculation that the firm is abandoning the retail originations market, where it made its name over the past century. Instead, he said, Lomas plans to rebuild its retail capability through means other than traditional branch offices.

"We think we've got some good ideas, but I can't tell you any more about it," Mr. Low said. "It's sort of a sensitive matter."

Citicorp Mortgage Inc., St. Louis, also suffered a 25% volume decline, but the firm nonetheless remained No. 1 in the rankings, with $6.5 billion in originations. As previously reported, Citicorp Mortgage is also first in mortgage servicing, boasting a servicing portfolio of $44.4 billion.

Robert Horner, chairman of the Citicorp unit, said the drop in originations largely reflected declining contributions from the company's correspondent lenders. He said they mainly originate fixed-rate loans, but consumers in 1987 showed an ever greater appetite for adjustable-rate mortgages, which carry lower initial rates.

The shift in demand to adjustable loans hurt many other companies, too. Mortgage companies, which sell their originations, complained that they were unable to match the pricing of thrifts, which aggressively originated adjustables for their own portfolios.

"We did not try to participate in the ARM market," said Robert Richards, president of Fireman's Fund Mortgage. "We have not figured a way to make ARMs in a profitable manner."

As a result, the unit of Fireman's Fund Insurance Co. saw its loan volume fall by more than 40%, to $1.7 billion. The company, which has cut its production staff by more than 50%, dropped from No. 8 in the rankings to No. 19.

One leading company with a big gain in 1987 was Countrywide Funding Corp., Pasadena, Calif., which rose to fourth place. Its originations shot up about 25%, to $3.5 billion, thanks in part to especially aggressive pursuit of refinancings in the first few months of the year.

"We're opportunists," said Countrywide president Angelo Mozilo. "The feasts in this business are rare and you have to seize them, because the famines can last for a long time."

Margaretten & Co., Perth Amboy, N.J., and Weyerhaeuser Mortgage Co., Los Angeles, both posted big enough gains to move into the top 10 in 1987. Margaretten rose from No. 13 to No. 8, Weyerhaeuser from No. 11 to No. 6.■

Top Mortgage Firms

1987 originations of residential mortgage loans (billions of dollars)

1. Citicorp Mortgage Inc.	$6.5
2. CityFed Mortgage Co.	4.7
3. Sears Mortgage Corp.	4.4
4. Countrywide Funding Corp.	3.5
5. Goldome Realty Credit Corp.	3.2

Source: American Banker

Illinois Readies Mutual Holding Company Law

By ANDREA BENNETT
Midwest Bureau

CHICAGO

THRIFT regulators in Illinois are putting the final touches on regulations that would allow state savings and loans to convert to mutual holding companies, and two thrifts are said to be on the verge of making the change.

Such a move would mark the first time thrifts insured by the Federal Savings and Loan Insurance Corp. have tried to form mutually owned holding companies, industry officials said. People's Bank, a Bridgeport, Conn.-based savings bank that is insured by the Federal Deposit Insurance Corp., earlier became the first savings bank to form a mutual holding company.

The Illinois law could also test federal thrift regulators' stance on whether the holding company can sell a minority stake in its subsidiaries. Illinois regulations permit a mutual holding company to sell up to 49% of any of its subsidiaries, including the savings and loans.

"That has caused havoc out in Washington," John E. Seymour, Illinois savings and loan commissioner, said in late June.

Illinois allowed the formation of thrift holding companies in a law that squeaked through the state legislature last year. A law specifically allowing the formation of mutual holding companies and implementing regulations about their operation got legislative approval this year and now awaits the signature of Illinois Gov. James Thompson, Mr. Seymour said.

He said that two thrifts, which he declined to identify, have indicated they intend to form mutual holding companies, and that applications to do so could be filed in the next 30 to 60 days.

The $1.6 billion-asset United Savings of America, Chicago, said it would be interested in forming a mutual holding company.

Federal savings and loans got permission to form mutual holding companies in the the Competitive Equality Banking Act of 1987, although federal regulators have yet to issue guidelines for their formation. The Federal Home Loan Bank Board is expected to issue a proposed regulation for comment or advance notice of such a regulation in August, said Robert Bartlett, senior vice president and director of technical services at the U.S. League of Savings Institutions.

A spokesman for the Federal Home Loan Bank Board declined to comment about mutual holding companies or whether it was about to come out with regulations.

But thrift officials say the law passed in Illinois could be more liberal than what the Bank Board is likely to allow.

"The big issue is whether the Federal Home Loan Bank is going to allow holding companies to sell stock similar to what People's did," Mr. Bartlett said. "My sense is they are not."

Mr. Seymour said he had a "productive" meeting with M. Danny Wall, Bank Board chairman, in early July to discuss the new Illinois law.

According to Mr. Seymour, Mr. Wall said he believes savings and loans ought to be able to sell a minority stake in its subsidiaries but acknowledged there were a variety of opinions within the Bank Board on the subject.

Thrift officials say federal regulators' objection to mutual holding companies is that they undermine the regulators' campaign to get institutions to bring in additional capital by converting to stock institutions.

But Mr. Seymour argued that allowing thrifts to sell a minority stake in a subsidiary is one step in that direction. He said 70% of Illinois thrifts remain mutually owned, with management resisting conversion because of the expense it entails or fears that they will lose control of the institution.

It would be a "lost opportunity," he said, if regulators don't allow mutual thrift holding companies to sell stock in their subsidiaries, which he predicts will "sell like gangbusters."

Opponents of the form also say it allows directors to retain control of thrifts, but without accountability to outside ownership. Executives at People's Bank, however, disputed that argument, saying they still have a fiduciary responsibility to investors. ■

NY Bank Buys Data Processor

RIVERHEAD, N.Y. — Suffolk Bancorp said it has acquired a 100% interest in Island Computer Corporation of New York, a data processing service bureau in Bohemia, N.Y. The terms of the acquisition were not disclosed. Suffolk Bancorp is the holding company for Suffolk County National Bank, Riverhead, N.Y., which has more than $300 million in assets. ■

Gould Reiterates Advice on FSLIC

Continued from Page 6

Mr. Gould will be joined at the Aug. 2 Senate Banking Committee hearings by representatives of healthy thrift institutions: Gerald Levy, chairman and chief executive officer of Guaranty Savings, Milwaukee, and also a former U.S. League chairman; and Herbert Sandler, chairman and chief executive officer of World Savings and Loan Association, Oakland, Calif.

The following day the committee will hear from three former Bank Board chairmen: Edwin Gray, Richard Pratt, and Jay Janis.

The Mortgage Bankers Association of America is up in arms about a bill introduced by Rep. John J. LaFalce, D-N.Y., that would require a lender to obtain the permission of a borrower to sell the servicing on a mortgage to another institution.

Mr. LaFalce may have had a problem with his own servicing recently, according to Warren Lasko, the association's executive vice president.

An aide to the congressman said his boss does have a new house in Buffalo. But he said he didn't know if the bill was the result of Mr. LaFalce's own experiences with his mortgage company.

"He has gotten lots of letters from constituents who have had servicing problems," the aide said.

The mortgage bankers' trade group was so upset that it assigned its lobbyists to chase Mr. LaFalce around the Democratic national convention in Atlanta earlier this month to try to sway his opinion.

Mr. Lasko said the bill would devastate the secondary mortgage market and raise mortgage rates about 35%.

If the bill is really that bad, fat chance it will get anywhere. Mr. Lasko agrees, but isn't going to gamble with so much purported to be at stake. ■

Imperial Savings To Acquire Thrift

LOS ANGELES — Imperial Savings Association agreed to purchase Ontario Savings and Loan Association, a five-office state-chartered thrift in rapidly growing San Bernardino County.

Terms were not disclosed. San Diego-based Imperial said it expects to complete the transaction later this year, pending approval of regulators and Ontario's shareholders. Ontario's offices would become branches of Imperial.

Ontario reported assets of $124 million, deposits of $99 million, and net worth of $18 million as of June 30.

Imperial is a unit of Imperial Corporation of America, San Diego, which has assets of $12.1 billion. The holding company reported a 77% increase in profits in the second quarter compared to the same period last year. Imperial Corp. attributed much of the gain to increased earning assets, a diversification program, and cost-cutting efforts.

Operating expenses fell to $40.3 million in the quarter from $52.8 million a year earlier.

The primary reason for the decline in operating expenses was the sale of ICA Mortgage Corp. last December to First Nationwide Financial Corp., San Francisco.

Many California thrifts, in order to control costs, have begun to consolidate their loan origination networks, which they had expanded rapidly in recent years. ■

Top 100 Mortgage Companies in Loan Originations

Based on residential mortgage loans originated in 1987 and compared with 1986

Rank 12/31/87		Mortgage Loans Originated in 1987	Number of Loans	Average Loan Size	Mortgage Loans Originated in 1986	Rank 12/86	Gain in Rank	% Chg. in Originations	1987 Mortgages Serviced	1987 Servicing Rank
1	Citicorp Mortgage, Inc., St. Louis	$6,500,000,000	78,128	83,197	$8,700,000,000[1]	1		-25.29%	$44,400,000,000	1
2	CityFed Mortgage Co., Bellevue, Wash.	4,723,213,000	57,429	82,244	.....	...		.....	19,651,141,000	4
3	Sears Mortgage Corp., Lincolnshire, Ill.	4,361,700,000	51,600	84,529	4,100,000,000r	3‡		6.37	10,568,243,767	13
4	Countrywide Funding Corp., Inc., Pasadena, Calif.	3,505,380,000	45,281	77,414	2,814,356,000r	8‡	+4	24.55	7,951,963,000	20
5	Goldome Realty Credit Corp., Buffalo, N.Y.	3,161,161,000	39,131	80,784	3,792,863,000	3		-16.66	13,665,275,000	8
6	Weyerhaeuser Mortgage Co., Los Angeles	2,923,118,000	30,007	97,415	2,743,036,935	11	+4	6.57	10,888,113,914	11
7	GMAC Mortgage Co., Elkins Park, Pa.	2,873,000,000	32,539	88,294	3,315,985,000	5		-13.36	24,497,123,407	2
8	Margaretten & Company, Inc., Perth Amboy, N.J.	2,870,635,000	39,455	72,757	2,498,000,000	13	+5	14.92	2,395,000,000	79
9	ICA Mortgage Corp., San Diego, Calif.	2,700,000,000	23,561	114,596	4,300,000,000	2		-37.21	N.A.	...
10	First Union Mortgage Corp., Charlotte, N.C.	2,677,723,000	35,712	74,981	3,596,183,000	4		-25.54	10,801,000,000	12
11	Fleet Mortgage Corp., Milwaukee	2,595,571,000	43,412	59,789	2,689,457,286	12	+1	-3.49	14,617,594,124	6
12	Commonwealth Mortgage Corp. of America, Houston	2,556,890,000	35,714	71,593	2,914,000,000	7		-12.25	12,980,598,000	9
13	Lomas & Nettleton Financial Corp., Dallas (a)	2,403,611,889	31,520	76,257	3,210,875,671	6		-25.14	21,672,114,657	3
14	BancBoston Mortgage Companies, Inc., Jacksonville, Fla.	2,300,000,000	32,000	71,875	2,798,000,000	9		-17.80	12,380,000,000	10
15	Travelers Mortgage Services, Inc., Cherry Hill, N.J.	2,266,948,000	22,636	100,148	1,954,000,000	17	+2	16.02	4,227,522,000	41
16	BancPlus Mortgage Corp., San Antonio, Tex.	2,035,711,000	27,893	72,983	N.A.	...		... ...	8,083,119,000	18
17	Glenfed Mortgage Corp., Irvine, Calif.	1,958,857,653	14,724	133,038	1,197,000,000	29	+12	63.65	4,585,537,969	36
18	Imco Realty Services Inc., Santa Rosa, Calif.	1,811,865,000	17,199	105,347	2,184,581,000	15		-17.06	6,973,328,967	23
19	Fireman's Fund Mortgage Corp., Farmington Hills, Mich.	1,653,373,869	26,401	62,625	2,800,738,840	8		-40.97	17,912,142,270	5
20	Knutson Mortgage Corp., Bloomington, Minn.	1,455,196,218	19,815	73,439	1,553,630,839	21	+1	-6.34	7,952,599,634	19
21	AmeriStar Financial Corp., San Diego, Calif.	1,397,837,947	16,437	85,042	1,843,801,641	19		-24.19	N.A.	...
22	Metmor Financial, Inc., Los Angeles	1,374,873,160	14,660	93,784	1,366,000,000r	24‡	+2	0.65	13,818,110,325	7
23	North American Mortgage Co., Houston	1,265,406,611	17,350	72,934	1,068,374,360	34	+13	18.44	3,000,826,215	61
24	First Interstate Mortgage Co., Pasadena, Calif.	1,190,834,000	14,010	84,999	653,357,076	69	+45	82.26	8,861,000,000	16
25	Norstar Mortgage Corp., Westbury, N.Y.	1,175,568,335	11,502	102,206	1,264,000,000	25		-7.00	2,272,325,032	84
26	Lincoln Service Corp., Owensboro, Ky.	1,142,788,000	14,607	78,236	1,767,488,977	20		-35.34	4,259,644,000	40
27	Residential Financial Corp., Wayne, N.J.	1,102,699,559	15,526	71,023	1,502,777,000	23		-26.62	1,399,162,197	126
28	Dominion Bankshares Mortgage Corp., Fairfax, Va.	1,099,540,000	13,417	81,951	939,298,613	40		17.06	2,194,000,000	86
29	CenTrust Mortgage Corp., Deerfield Beach, Fla.	1,093,193,000	13,339	81,955	812,804,556	47	+18	34.50	2,140,397,302	90
30	Cenlar Capital Corp., Princeton, N.J.	1,085,449,910	11,302	96,041	843,043,831	44	+14	28.75	4,690,307,875	35
31	Empire of America Realty Credit Corp., Buffalo, N.Y.	1,085,400,000	12,655	85,768	1,049,000,000	35	+4	3.47	5,922,000,000	25
32	Chase Home Mortgage Corp., Montvale, N.J.	1,069,908,000	10,135	105,566	699,965,000	64	+32	52.85	7,745,360,000	21
33	Shearson Lehman Mortgage Corp., Irvine, Calif.	1,068,142,372	12,275	87,018	1,179,894,179	30		-9.47	9,653,079,257	15
34	U.S. Bancorp Mortgage Co., Portland, Ore.	1,051,541,489	13,918	75,553	690,000,000	65	+31	52.40	2,855,869,778	66
35	Directors Mortgage Loan Corp., Riverside, Calif.	1,031,508,000	12,103	85,227	1,095,923,551	33		-5.88	1,662,693,191	114
36	CrossLand Mortgage Corp., Salt Lake City	1,012,738,540	9,205	110,020	N.A.	...		... ...	2,952,648,395	64
37	CalFed Mortgage Co., Los Angeles	948,324,884	7,822	121,238	1,048,400,000	36		-9.55	2,347,736,000	81
38	Old Stone Mortgage Corp., Seattle	931,140,000	10,357	89,904	802,792,000	48	+10	15.99	2,672,161,000	72
39	United Mortgage Corp., Minneapolis	919,719,653	14,211	64,719	1,102,105,793	32		-16.55	2,701,035,931	70
40	Commonwealth Mortgage Co., Wellesley Hills, Mass.	865,940,000	9,038	95,811	1,200,000,000	28		-27.84	2,223,571,000	86†
41	Numerica Financial Services, Inc., Clearwater, Fla.	841,000,000	13,200	63,712	110,029,350	169	+128	664.34	1,979,000,000	97
42	Sovran Mortgage Corp., Richmond	808,959,000	11,012	73,462	1,525,457,000	22		-46.97	7,207,860,950	22
43	Shawmut Mortgage Corp., Miamisburg, Ohio	804,902,842	11,831	68,033	854,641,137	43		-5.82	2,815,788,659	67
44	Troy & Nichols, Inc., Monroe, La.	801,209,800	13,537	59,187	524,332,600	86	+42	52.81	4,157,947,700	44
45	Midlantic Home Mortgage Corp., Melville, N.Y.	733,408,963	8,468	86,609	632,527,000	70	+25	15.95	2,079,995,000	94
46	Chemical Mortgage Corp., Columbus, Ohio	724,867,000	10,989	65,963	169,000,000	150	+104	328.92	8,563,000,000	17
47	NBD Mortgage Co., Troy, Mich.	721,735,019	11,615	62,136	709,754,517	61	+14	1.69	2,632,042,000	75
48	Meritor Mortgage Corp.-West, Orange, Calif.	720,307,157	5,997	120,111	896,165,256	42		-19.62	3,353,287,000	55
49	Guild Mortgage Co., San Diego, Calif.	716,732,352	8,436	84,961	1,000,000,000	39		-28.33	2,100,085,243	92
50	Citizens & Southern Commercial Corp., Tucker, Ga.	696,010,553	8,862	78,539	751,515,364	54	+4	-7.39	2,234,706,965	85
51	Talman Home Mortgage Corp., Chicago	685,820,050	8,562	80,100	582,200,000	74	+23	17.80	4,952,828,000	31
52	Embarque Capital Corp., Carle Place, N.Y.	684,789,457	10,083	67,915	744,106,470	57	+5	-7.97	1,751,158,505	106
53	Sunbelt National Mortgage Corp., Dallas	676,678,993	7,566	89,437	782,000,000	49		-13.47	2,083,224,635	93
54	Dominion Mortgage Center Inc., Falls Church, Va. (b)	676,558,104	6,989	96,803	500,000,000	91	+37	35.31	2,083,224,635	93
55	Meridian Mortgage Corp., St. Davids, Pa.	655,387,707	8,560	76,564	614,000,000	71	+16	6.74	1,607,897,976	118
56	Anchor Mortgage Services, Inc., Wayne, N.J.	641,000,000	6,505	98,540	689,821,000	66	+10	-7.08	6,828,783,468	24
57	ARCS Mortgage, Inc., Canoga Park, Calif.	625,627,233	5,918	105,716	735,162,000	59	+2	-14.90	2,748,160,888	69
58	Meritor Mortgage Corp.-East, Philadelphia	621,887,000	7,641	81,388	770,977,927	51		-19.34	3,285,414,268	57
59	GN Mortgage Co., Canoga Park, Calif.	615,537,000	4,498	136,847	701,543,000	62	+3	-12.26	1,325,500,000	129
60	Bright Mortgage Co., Dallas	613,000,000	6,710	91,356	1,150,000,000	31		-46.70	5,879,000,000	26
61	ICM Mortgage Corp., Englewood, Colo.	608,916,000	7,547	80,683	1,009,750,000	37		-39.70	2,903,000,000	65
62	Alliance Mortgage Co., Jacksonville, Fla.	604,252,400	7,552	80,012	1,885,375,000	18		-67.95	5,777,669,000	28
63	CitFed Mortgage Corp. of America, Dayton, Ohio	593,708,000	7,112	83,480	572,337,000	78	+15	3.73	2,696,925,845	71
64	Loan America Financial Corp., Miami Lakes, Fla.	591,044,000	5,910	100,007	.....	...		... ...	1,662,000,000	115
65	Maryland National Mortgage Corp., Baltimore	581,184,000	6,421	90,513	658,725,000	68	+3	-11.77	N.A.	...
66	Collateral Mortgage, Ltd., Birmingham, Ala.	566,447,809	9,055	62,556	685,827,292	67	+1	-17.41	1,027,446,969	156
67	First California Mortgage Co., San Rafael, Calif.	557,000,000	5,694	97,822	423,000,000	102	+35	31.68	1,746,000,000	107
68	Latimer & Buck, Inc., Philadelphia (c)	541,926,000	716	756,880	N.A.	...		... ...	2,161,514,000	88
69	First Washington Mortgage Corp., McLean, Va.	538,616,360	5,096	105,694	700,000,000	63		-23.05	N.A.	...
70	Ryan Financial Services, Inc., Pittsburgh	523,256,000	6,727	77,784	838,904,000	45		-37.63	2,564,179,669	77
71	WestAmerica Mortgage Co., Denver	522,210,000	7,909	66,027	781,800,000	50		-33.20	1,205,000,000	135
72	Inland Mortgage Co. Inc., Indianapolis	508,000,000	7,154	71,009	N.A.	...		... ...	919,906,105	165
73	FBS Mortgage Corp., St. Paul, Minn.	507,516,000	3,976	127,645	474,391,000	94	+21	6.98	2,145,742,000	89
74	Mortgage & Trust, Inc., Houston	506,333,000	7,678	65,946	399,707,720	106	+32	26.68	4,162,236,441	43
75	First NH Mortgage Corp., Hooksett, N.H.	499,494,000	6,075	82,221	N.A.	...		... ...	910,539,265	167
76	Paine Webber Mortgage Finance, Inc., Columbia, Md.	487,000,000	5,747	84,740	592,000,000	73		-17.74	4,175,000,000	42
77	First Wachovia Mortgage Co., Winston-Salem, N.C.	484,586,784	6,689	72,445	560,884,539	80	+3	-13.60	2,530,016,246	78
78	Meritor Mortgage Corp.-Central, St. Paul, Minn.	482,274,000	5,749	83,888	534,200,000	84	+6	-9.72	2,007,965,364	95
79	CompuFund Network Funding Corp., Pleasanton, Calif.	473,000,000	3,638	130,016	510,000,000	90	+11	-7.25	N.A.	...
80	Carl I. Brown & Co., Overland Park, Kan.	470,794,759	7,072	66,572	N.A.	...		... ...	776,376,127	180
81	Firstier Mortgage Co., Omaha, Neb.	467,874,120	8,167	57,288	1,001,502,025	38		-53.28	1,678,345,000	112
82	Pacific First Mortgage Corp., Walnut Creek, Calif.	457,764,000	4,735	96,677	578,356,000	75		-20.85	3,547,924,492	52
83	Criterion Financial Corp., Dallas	453,941,686	5,280	85,974	354,488,146	111	+28	28.06	1,413,202,000	123
84	Hammond Co., Newport Beach, Calif.	449,196,746	4,616	97,313	438,198,000	99	+15	2.51	633,423,096	0
85	Lumbermen's Investment Corp., Austin, Tex.	444,365,689	7,273	61,098	576,443,407	76		-22.91	3,261,064,462	58
86	Barclays American/Mortgage Corp., Charlotte, N.C.	440,827,000	6,944	63,483	364,572,000	109	+23	20.92	1,958,889,000	98
87	Globe Mortgage Co., Hackensack, N.J.	438,000,000	4,697	93,251	284,040,072	124	+37	54.20	1,423,000,000	122
88	US Mortgage Corp., Cherry Hill, N.J.	415,675,000	4,183	99,372	N.A.	...		... ...	942,009,000	163
89	Gulf Coast Investment Corp., Houston	409,227,000	5,946	68,824	216,257,000	140	+51	89.23	3,567,863,893	51
90	Sibley Corp., Rochester, N.Y.	406,160,000	7,292	55,699	415,426,000	103	+13	-2.23	1,124,898,000	145
91	SunTrust Mortgage, Inc., Atlanta	400,000,000	5,395	74,143	813,500,000	46		-50.83	3,400,100,000	54
92	Foster Mortgage Corp., Fort Worth, Tex.	397,815,000	4,674	85,112	747,758,595	55		-46.80	4,414,208,842	39
93	U.S. Home Mortgage Corp., Clearwater, Fla.	397,348,000	5,313	74,788	425,727,000	101	+8	-6.67	671,291,000	197
94	Gulf States Mortgage Co., Inc., Atlanta	395,797,000	5,367	73,746	N.A.	...		... ...	972,527,000	161
95	Society Mortgage Corp., Wethersfield, Conn.	388,311,000	3,702	104,892	N.A.	...		... ...	1,106,937,000	148
96	Dale Funding Corp., Hempstead, N.Y.	378,606,898	4,870	77,743	336,918,207	114	+18	12.37	848,697,148	172
97	Crestar Mortgage Corp., Richmond	373,770,302	4,631	80,710	429,187,000	100	+3	-12.91	1,874,304,860	100
98	Firstbank Mortgage Co., Springfield, Ill.	372,799,000	7,208	51,720	N.A.	...		... ...	659,492,484	200
99	AmSouth Mortgage Co., Inc., Birmingham, Ala.	366,511,290	5,458	67,151	519,451,089	87		-29.44	3,593,548,670	50
100	Southeast Mortgage Co., Miami	361,077,165	3,497	103,253	265,401,152	129	+29	36.05	4,823,580,000	32

Data Source: American Banker's survey of the top 200 mortgage companies in servicing and loan originations. **Mortgage loan originated in 1987:** permanent residential mortgages (1-to-4 family mortgages) originated for sale, or the intention to sell over the period Jan. 1, 1987 to Dec. 31, 1987. Included are loans closed by the mortgage company and loans where the mortgage company actually did most of the paperwork for closing. Both in-house production and purchased production— such as loans purchased from brokers and correspondents— are included. **Number of loans:** The number of mortgage loans originated in 1987. **Average Loan Size:** Mortgage loans originated in 1987 divided by the number of such loans. **Mortgage loan originated in 1986:** Residential originations over the period Jan. 1, 1986 to Dec. 31, 1986. **Percent change:** Originations in 1987 divided by originations in 1986 expressed as a percentage. **1987 Mortgages Serviced:** permanent commercial and residential real estate mortgages serviced for investors on Dec. 31, 1987. Excludes mortgages owned by the institution, as well as forward commitments, home improvement loans and all temporary financing, such as construction and development loans. **(1)**— Actual figure. Last year an estimated figure of $6 billion was used. **(a)**— Holding company for Lomas Mortgage USA. **(b)**— The 1987 origination figure is a combined figure for Dominion Mortgage Center and its parent, Dominion Federal Savings & Loan Assn. The 1986 origination figure was for Dominion Mortgage Funding Corp., a former subsidiary of Dominion Federal that was merged into the thrift. **(c)**— Residential mortgages for corporate customers of its parent, Fidelcor Inc. Philadelphia. On 2/29/88, Fidelcor was acquired by First Fidelity Bancorp., Newark. **(r)**— Company revised data. **(†)**— Rank company would have had if it were included in the servicing survey. **(‡)**— Rank company would have had, if the revised data had been used. **N.A.**— Not available.

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